



MINNESOTA
DEPARTMENT OF
COMMERCE

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August 30, 2010

To: All Licensed Residential Mortgage Originator and Servicer Companies,
Exempt Entities and Mortgage Loan Originator Individuals

From: Kevin M. Murphy *KM*
Deputy Commissioner of Commerce

Re: Nationwide Mortgage Licensing System

The October 1, 2010 launch date for Minnesota's transition to the Nationwide Mortgage Licensing System (NMLS) is fast approaching. The information contained in this memorandum should be shared with all persons in your company who are originating loans. Mortgage Loan Originators (MLOs) (natural persons) currently originating loans in Minnesota will be required to meet the following conditions before a license will be issued:

- Certification of pre-licensure education requirements
- A passing score on both the National and State SAFE Tests
- Satisfactory criminal background check including fingerprints
- Satisfactory review of a credit report by the Department of Commerce
- License sponsorship in NMLS by a licensed mortgage originator company or exempt entity

MLOs must submit a complete application package to the Department of Commerce (DOC) no later than December 1, 2010.

Getting started:

The steps for licensure are outlined on the NMLS website:

<http://mortgage.nationwidelicensingsystem.org/>

Your first step will be to create an individual MLO account. The NMLS site provides a "Quick Guide" to help you get started. The sooner you are registered with the NMLS the better.

You may also contact the NMLS Call Center at (240) 386-4444.

Testing:

Once you have obtained your unique identifier number you may then enroll for the National SAFE test. The schedule for National testing is currently available on the NMLS website. You are encouraged to enroll as soon as possible. In the event that you do not pass the test, there is a 30 day waiting period between retakes; this could significantly slow the approval process.

The Minnesota State test is scheduled to be available for enrollment on October 1, 2010. An outline for test content is available on the DOC website.

Education:

MLOs that are currently originating loans in Minnesota and have completed a total of 20 hours of state approved education prior to July 31, 2010 are eligible for the pre-license certification process. If you did not fulfill the required 20 hours by July 31 you will not be eligible for the certification process until you have completed 20 hours of NMLS approved pre-licensure education. Please consult the NMLS website for a listing of approved courses.

MLOs who have completed the required 20 hours of education may submit course completion certificates to the DOC for pre-licensing approval. You will need to print out the education certification submission form from the DOC website and include it along with copies of your course completion certificates. MLOs should have copies of their course completion certificates. The DOC does NOT maintain records of course certificates. If you do not have copies of the certificates, you may need to contact your employer or your education sponsor. Further instructions on the certification process will be available shortly. In order for the DOC to certify the education an individual must have a unique ID number.

NMLS Training:

The Conference of State Bank Supervisors (CSBS) will host two webinars in September for those seeking assistance with the NMLS system. The dates are September 14 and 28, 2010. Information regarding these workshops can be found under "News & Events" on the NMLS website.

Renewals, Assessments & Bonds:

Licenses for MLOs that are approved in 2010 will expire on December 31, 2011 and are renewable January 1 of each year after that date. Licensing fees are as follows:

- Mortgage loan originator license, \$90
- Renewal for MLO license, \$50

Due to legislative changes to Chapters 58 & 58A, mortgage originator company and mortgage servicer licenses will now renew annually. Originators and servicers whose licenses are set to expire on July 31, 2011 must pay a prorated renewal fee of \$200 and \$100, respectively, due December 31, 2010, for an extension to December 31, 2011.

Mortgage originator companies that have ceased to do business in 2010, or who plan to discontinue operations, must contact the DOC in writing with a letter of intent to surrender their license. Originators must submit a plan for the withdrawal from operations, including a timetable for dissolution of the business.

Licensed mortgage originator companies will be required to pay a one-time assessment to the DOC to cover the costs associated with joining the NMLS. The assessment will be levied by September 30, 2010 and payable no later than November 30, 2010. A licensee who fails to pay the assessment by the due date may have their license suspended until the fee is paid in full. The assessment amount for each licensed company is estimated to be between \$600-800.

In accordance with legislative changes to Chapters 58 & 58A, mortgage originator companies will now be required to carry a surety bond of no less than \$100,000. Letters of credit and net worth will no longer be accepted. Bond amounts may be adjusted at later date according to loan volume. MLOs not covered by a company bond are required to carry an individual bond.

Email Registration:

This will be the final mailing from the DOC regarding Minnesota's transition to the nationwide licensing system. All further communication will be shared via email. You are encouraged to visit the DOC website (www.commerce.state.mn.us) and register your email address to receive future newsletters and updates. This list is open to the public and anyone may sign up.

Should you have any state-specific questions related to the transition to the NMLS please contact the Department of Commerce at: mortgage.commerce@state.mn.us.